

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>W.R. GRACE &amp; CO., et al.,</b>	)	<b>Case No. 01-1139(JFK)</b>
	)	<b>(Jointly Administered)</b>
<b>Debtors.</b>	)	

**NOTICE OF DISPOSITION OF EQUITY SECURITIES**

PLEASE TAKE NOTICE that Citadel Equity Fund Ltd. hereby provides notice of its disposition of one or more shares of the equity securities (the "Equity Securities") of W.R. Grace & Co. or an Option with respect thereto (the "Transfer").

PLEASE TAKE FURTHER NOTICE that, if applicable, on February 25, 2005, Citadel Equity Fund Ltd. filed a Notice of Status as a Substantial Equityholder<sup>1</sup> with the United States Bankruptcy Court for the District of Delaware (the "Court") and served copies thereof on the Debtors' counsel.

PLEASE TAKE FURTHER NOTICE that Citadel Equity Fund Ltd. Beneficially Owned, immediately prior to the Transfer described in this Notice, 4,688,120 shares of Equity Securities of W.R. Grace & Co.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Transfer, Citadel Equity Fund Ltd. disposed of 250,000 shares of Equity Securities or an Option with respect to 250,000 shares of Equity Securities. Following the Transfer, Citadel Equity Fund Ltd. Beneficially Owns 4,438,120 shares of Equity Securities.

PLEASE TAKE FURTHER NOTICE that, under penalties of perjury, Citadel Equity Fund Ltd. hereby declares that it has examined this Notice and accompanying attachments (if any), and, to the best of its knowledge and belief, this Notice and any attachments that purport to be part of this Notice are true, correct and complete.

PLEASE TAKE FURTHER NOTICE that, pursuant to the Final Order of this Court, entered on January 26, 2005, Limiting Certain Transfers of Equity Securities of the Debtors and Approving Related Notice Procedures, this Notice is being (A) filed with the Court, and (B) served upon Kirkland & Ellis LLP, counsel to Debtors, 200 E. Randolph Drive, Chicago, Illinois 60601, Attn: Janet S. Baer, Esq.

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<sup>1</sup> For purpose of this Notice, all capitalized terms not defined herein shall have the same meaning as is set forth in the Final Order of this Court, entered January 24, 2005, Limiting Certain Transfers of Equity Securities of the Debtors and Approving Related Notice Procedures.

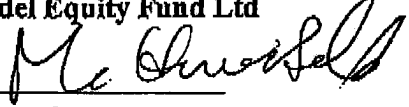
Citadel Equity Fund Ltd. understands that any further transactions that may result in Citadel Equity Fund Ltd. selling, trading or otherwise transferring shares of Equity Securities (or an Option with respect thereto) may each require an additional notice filed with the Court to be served in the same manner as this Notice.

Dated:

October 3, 2005

Respectfully Submitted,

**Kenneth Griffin**  
**Citadel Kensington Global Strategies Fund Ltd.**  
**Citadel Investment Group, L.L.C**  
**Citadel Limited Partnership**  
**Citadel Wellington LLC**  
**Citadel Equity Fund Ltd**

By:   
Name: **MATTHEW HINERFELD**  
Title: **Managing Director and**  
**Deputy General Counsel**

Address For all Persons  
131 South Dearborn Street  
Chicago, IL 60603  
Telephone: (312) 395-2100  
Facsimile: (312) 267-7100  
Attn: Legal Department


**CERTIFICATE OF SERVICE**

I, Kristina Bunker, certify that I am not less than 18 years of age, and that service of the foregoing Notice of Disposition of Equity Securities was caused to be made on October 3, 2005, in the manner indicated upon the entity listed below.

**VIA FACSIMILE and U.S. MAIL:**

Janet S. Baer, Esq.  
Kirkland & Ellis LLP  
200 East Randolph Drive  
Chicago, Illinois 60601  
Facsimile: (312) 861-2200

October 3, 2005

  
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Kristina Bunker  
(Non-Attorney)  
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